

106TH CONGRESS
2D SESSION

S. 3172

To provide access to affordable health care for all Americans.

IN THE SENATE OF THE UNITED STATES

OCTOBER 5 (legislative day, SEPTEMBER 22), 2000

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide access to affordable health care for all Americans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Basic Access to Secure Health Insurance Coverage
6 Health Plan (BASIC Health Plan) Act”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AFFORDABLE HEALTH INSURANCE FOR PARENTS AND CHILDREN

Sec. 101. Coverage of parents and children under the medicaid program and CHIP.

Sec. 102. Coverage of legal immigrants under the medicaid program.

Sec. 103. Coverage of children through age 20 under the medicaid program and title XXI.

Sec. 104. Application of simplified title XXI procedures under the medicaid program.

Sec. 105. Expansion of basic services required for benchmark-equivalent coverage under CHIP.

Sec. 106. Elimination of 100 hour rule and other AFDC-related eligibility restrictions.

Sec. 107. Limitations on conflicts of interest.

Sec. 108. Demonstration programs to improve medicaid and CHIP outreach to homeless individuals and families.

TITLE II—ACCESS TO AFFORDABLE CARE FOR ALL AMERICANS

Sec. 201. Extension of coverage to single individuals.

TITLE III—ADDITIONAL PROVISIONS

Sec. 301. Availability of unsubsidized coverage.

1 TITLE I—AFFORDABLE HEALTH 2 INSURANCE FOR PARENTS 3 AND CHILDREN

4 SEC. 101. COVERAGE OF PARENTS AND CHILDREN UNDER 5 THE MEDICAID PROGRAM AND CHIP.

6 (a) REQUIREMENT TO PROVIDE COVERAGE FOR
7 MEDICAID PARTICIPATION.—Section 1902(a) of the So-
8 cial Security Act (42 U.S.C. 1396a(a)) is amended—

9 (1) in paragraph (64), by striking “and” at the
10 end;

11 (2) in paragraph (65), by striking the period
12 and inserting a semicolon; and

13 (3) by inserting after paragraph (65), the fol-
14 lowing new paragraph:

15 “(66) provide that the State will provide med-
16 ical assistance under paragraph (10)(A)(ii)((XVIII)
17 or health coverage under section 2111 for families

1 described in subsection (k)(1) in accordance with the
 2 conditions described in subsection (k)(2).”.

3 (b) COVERAGE UNDER MEDICAID.—

4 (1) IN GENERAL.—Section 1902(a)(10)(A)(ii)
 5 of the Social Security Act (42 U.S.C.
 6 1396a(a)(10)(A)(ii)) is amended—

7 (A) by striking “or” at the end of sub-
 8 clause (XVI);

9 (B) by adding “or” at the end of subclause
 10 (XVII); and

11 (C) by adding at the end the following new
 12 subclause:

13 “(XVIII) who are families de-
 14 scribed in subsection (k)(1);”.

15 (2) CONDITIONS FOR COVERAGE.—Section
 16 1902 of such Act is further amended by inserting
 17 after subsection (j) the following new subsection:

18 “(k)(1) The families described in this paragraph are
 19 families (consisting of individuals who are under 21 years
 20 of age and parents of such individuals)—

21 “(i) who are not otherwise eligible for medical
 22 assistance under subsection(a)(10)(A); and

23 “(ii) whose income is at least—

24 “(I) with respect to fiscal year 2001, 200
 25 percent of the poverty line; and

1 “(II) with respect to each subsequent fiscal
2 year, 300 percent of the poverty line.

3 “(2) The conditions described in this paragraph are
4 as follows:

5 “(A) The State provides that families described
6 in paragraph (1) remain eligible for medical assist-
7 ance for a period (of at least 12 months) following
8 the eligibility determination required under such
9 paragraph.

10 “(B) The State has a State child health plan
11 under title XXI which (whether implemented under
12 such title or under this title) does not limit the ac-
13 ceptance of applications for families described in
14 paragraph (1), does not use a waiting list for such
15 families who meet eligibility standards to qualify for
16 assistance (under this title or under title XXI), and
17 provides benefits to all families in the State who
18 apply for and meet eligibility standards.

19 “(C) The State does not cover families de-
20 scribed in paragraph (1) with higher family income
21 without covering families with a lower family income.

22 “(3) In the case of a parent in a family described
23 in paragraph (1) who is also the parent of a child who
24 is eligible and enrolled for medical assistance under this
25 title or for child health assistance under title XXI, the

1 State may elect (on a uniform basis) to enroll the parent
 2 in the same program as the child. If such a parent has
 3 children enrolled under both programs, the State may
 4 elect (on such basis) which program to enroll the parent
 5 in.”.

6 “(4) In this subsection, the term ‘parent’ has the
 7 meaning given the term ‘caretaker’ for purposes of car-
 8 rying out section 1931.”.

9 (3) APPLICATION OF PRESUMPTIVE ELIGIBILITY
 10 PROVISIONS.—Section 1920A of such Act (42 U.S.C.
 11 1396r–1a) is amended by adding at the end the fol-
 12 lowing new subsection:

13 “(e) In accordance with regulations, a State shall
 14 apply the previous provisions of this section to provide for
 15 a period of presumptive eligibility for medical assistance
 16 for a parent of a child with respect to whom such a period
 17 is provided under this section.”.

18 (4) CONFORMING AMENDMENTS.—

19 (A) ELIGIBILITY CATEGORIES.—Section
 20 1905(a) of such Act (42 U.S.C. 1396d(a)) is
 21 amended in the matter before paragraph (1)—

22 (i) by striking “or” at the end of
 23 clause (x);

24 (ii) by inserting “or” at the end of
 25 clause (xi); and

1 (iii) by inserting after clause (xi) the
 2 following new clause:

3 “(xii) who are families described in section
 4 1902(k)(1),”.

5 (B) INCOME LIMITATIONS.—Section
 6 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4))
 7 is amended by inserting
 8 “1902(a)(10)(A)(ii)(XVIII),” after
 9 “1902(a)(10)(A)(ii)(XVI),”.

10 (c) COVERAGE UNDER CHIP.—

11 (1) IN GENERAL.—Title XXI of such Act (42
 12 U.S.C. 1397aa et seq.) is amended by adding at the
 13 end the following new section:

14 **“SEC. 2111. COVERAGE OF FAMILIES.**

15 “(a) IN GENERAL.—Notwithstanding any other pro-
 16 vision of this title, with respect to a State that does not
 17 provide medical assistance under section
 18 1902(a)(10)(A)(ii)(XVIII) for families described in section
 19 1902(k)(1), the State shall provide health coverage under
 20 this title for such families through an amendment to its
 21 State child health plan under section 2102 in accordance
 22 with this section and the conditions described in section
 23 1902(k)(2).

24 “(b) DEFINITIONS.—For purposes of this section:

1 “(1) HEALTH COVERAGE.—The term ‘health
2 coverage’ has the meaning given the term child
3 health assistance in section 2110(a) as if any ref-
4 erence to targeted low-income children were a ref-
5 erence to families described in section 1902(k)(1).

6 “(2) TREATMENT OF PREGNANT WOMEN AS
7 PARENTS.—A State child health plan shall treat a
8 pregnant woman who is not otherwise a parent as a
9 parent in a family described in section 1902(k)(1)
10 for purposes of this section.

11 “(c) REFERENCES TO TERMS AND SPECIAL
12 RULES.—In the case of, and with respect to, a State pro-
13 viding health coverage for families described in section
14 1902(k)(1) under subsection (a), the following special
15 rules apply:

16 “(1) Any reference in this title (other than sub-
17 section (b)) to a targeted low-income child is deemed
18 to include a reference to a family described in sec-
19 tion 1902(k)(1).

20 “(2) Any such reference to child health assist-
21 ance with respect to such families is deemed a ref-
22 erence to health coverage (as defined in subsection
23 (b)(1)).

24 “(3) In applying section 2103(e)(3)(B) in the
25 case of a family provided coverage under this sec-

tion, the limitation on total annual aggregate cost-sharing shall be applied to the entire family.

“(4) Section 1905(u)(2)(A) shall be applied as if any reference to optional targeted low-income children includes a reference to a family described in section 1902(k)(1).”.

(2) ENHANCED MATCHING FUNDS.—

(A) IN GENERAL.—Section 1905 of such Act (42 U.S.C. 1396d) is amended—

(i) in the fourth sentence of subsection (b), by striking “or subsection (u)(3)” and inserting “, (u)(3), or (u)(4)”; and

(ii) in subsection (u)—

(I) by redesignating paragraph (4) as paragraph (5), and

(II) by inserting after paragraph (3) the following new paragraph:

“(4) For purposes of subsection (b) and section 2105(a)(1):

“(A) FAMILIES.—The expenditures described in this subparagraph are the following:

“(i) FAMILIES.—Expenditures for medical assistance made available under section 1902(a)(10)(A)(ii)(XVIII) for families de-

scribed in section 1902(k)(1), the income of which exceeds the income level applicable under such section 1931 to a family of the size involved as of January 1, 2000.

“(ii) CERTAIN PREGNANT WOMEN.—Expenditures for medical assistance for pregnant women under section 1902(l)(1)(A) in a family the income of which exceeds the income level applicable under section 1902(l)(2)(A) to a family of the size involved as of January 1, 2000.”.

(B) POST FY 2006 EXPANSION OF AVAILABILITY OF ENHANCED MATCH UNDER MEDICAID FOR PRE-CHIP EXPANSIONS.—Effective October 1, 2005, paragraph (4) of section 1905(u) of such Act (42 U.S.C. 1396d(u)), as inserted by subparagraph (A)(ii)(II), is amended—

(i) by amending clause (ii) of subparagraph (A) to read as follows:

“(ii) CERTAIN PREGNANT WOMEN.—Expenditures for medical assistance for pregnant women under section 1902(l)(1)(A) in a family the income of which exceeds the 133 percent of the income official poverty line.”; and

1 (ii) by adding at the end the following
2 new subparagraphs:

3 “(B) PARENTS WITH INCOME ABOVE 100 PER-
4 CENT OF POVERTY BUT BELOW JANUARY 1, 2000 IN-
5 COME LEVEL.—The expenditures described in this
6 subparagraph are expenditures for medical assist-
7 ance made available for any parents described in
8 section 1902(a)(10)(A)(i)(VIII), whose income ex-
9 ceeds 100 percent of the income official poverty line
10 applicable to a family of the size involved but does
11 not exceed the applicable income level established
12 under this title (under section 1931 or otherwise) for
13 a parent in a family of the size involved as of Janu-
14 ary 1, 2000.

15 “(C) CHILDREN IN FAMILIES WITH INCOME
16 ABOVE MEDICAID MANDATORY LEVEL NOT PRE-
17 VIOUSLY DESCRIBED.—The expenditures described
18 in this subparagraph are expenditures (other than
19 expenditures described in paragraph (2) or (3)) for
20 medical assistance made available to any child who
21 is eligible for assistance under section
22 1902(a)(10)(A) and the income of whose family ex-
23 ceeds the minimum income level required under sub-
24 section 1902(l)(2) for a child of the age involved

1 (treating any child who is 19 or 20 years of age
2 as being 18 years of age).”.

3 (3) TRANSFORMATION OF CHIP INTO PERMA-
4 NENT ENTITLEMENT.—

5 (A) ELIMINATION OF ALLOTMENTS AND
6 CAPPED APPROPRIATIONS.—Section 2104 of the
7 Social Security Act (42 U.S.C. 1397dd) is
8 amended to read as follows:

9 **“SEC. 2104. APPROPRIATION.**

10 “For the purpose of making payments to States
11 under this title, there is appropriated, out of any money
12 in the Treasury not otherwise appropriated, such sums as
13 may be necessary for fiscal year 2001 and each fiscal year
14 thereafter.”.

15 (B) CONFORMING AMENDMENTS.—

16 (i) Section 1905 of the Social Security
17 Act (42 U.S.C. 1396d) is amended—

18 (I) in subsection (b), in the
19 fourth sentence, by striking “, and
20 that do not exceed the amount of the
21 State’s allotment under section 2104
22 (not taking into account reductions
23 under section 2104(d)(2)) for the fis-
24 cal year reduced by the amount of any
25 payments made under section 2105 to

1 the State from such allotment for
 2 such fiscal year”; and

3 (II) by striking subsection (u)(1)
 4 and inserting the following:

5 “(u)(1) The condition described in this paragraph for
 6 a State plan is that the State is complying with the re-
 7 quirement of section 2105(d)(1).”.

8 (ii) Section 2105(a) of such Act (42
 9 U.S.C. 1397ee(a)) is amended by striking
 10 “from its allotment under section 2104
 11 (taking into account any adjustment under
 12 section 2104(d)),”.

13 (4) NO COST-SHARING FOR PREGNANCY-RE-
 14 LATED BENEFITS.—Section 2103(e)(2) of such Act
 15 (42 U.S.C. 1397ee(e)(2)) is amended—

16 (A) in the heading, by inserting “AND
 17 PREGNANCY-RELATED SERVICES” after “PRE-
 18 VENTIVE SERVICES”; and

19 (B) by inserting before the period at the
 20 end the following: “and for pregnancy-related
 21 services”.

22 (5) CONFORMING AMENDMENT RELATING TO
 23 NO WAITING PERIOD FOR CERTAIN WOMEN.—Section
 24 2102(b)(1)(B) of such Act (42 U.S.C.
 25 1397bb(b)(1)(B)) is amended—

1 (A) by striking “, and” at the end of
 2 clause (i) and inserting a semicolon;

3 (B) by striking the period at the end of
 4 clause (ii) and inserting “; and”; and

5 (C) by adding at the end the following new
 6 clause:

7 “(iii) may not apply a waiting period
 8 (including a waiting period to carry out
 9 paragraph (3)(C)) in the case of targeted
 10 low-income women who are pregnant.”.

11 (6) AUTOMATIC ENROLLMENT OF CHILDREN
 12 BORN TO TITLE XXI PARENTS.—Section 2102(b)(1)
 13 of the Social Security Act (42 U.S.C. 1397bb(b)(1))
 14 is amended by adding at the end the following new
 15 subparagraph:

16 “(C) AUTOMATIC ELIGIBILITY OF CHIL-
 17 DREN BORN TO A PARENT BEING PROVIDED
 18 HEALTH COVERAGE.—Such eligibility standards
 19 shall provide for automatic coverage of a child
 20 born to an individual who is provided health
 21 coverage (as defined in section 2111(b)(1))
 22 under this title in the same manner as medical
 23 assistance would be provided under section
 24 1902(e)(4) to a child described in such sec-
 25 tion.”.

1 (7) APPLICATION OF PRESUMPTIVE ELIGI-
2 BILITY.—

3 (A) IN GENERAL.—Section 2107(e)(1) of
4 such Act (42 U.S.C. 1397gg(e)(1)) is amended
5 by adding at the end the following new sub-
6 paragraph:

7 “(D) Sections 1920 and 1920A (relating to
8 presumptive eligibility).”.

9 (B) EXCEPTION FROM LIMITATION ON AD-
10 MINISTRATIVE EXPENSES.—Section 2105(c)(2)
11 of such Act (42 U.S.C. 1397ee(c)(2)) is amend-
12 ed by adding at the end the following new sub-
13 paragraph:

14 “(C) EXCEPTION FOR PRESUMPTIVE ELI-
15 GIBILITY EXPENDITURES.—The limitation
16 under subparagraph (A) on expenditures shall
17 not apply to expenditures attributable to the
18 application of section 1920A (pursuant to sec-
19 tion 2107(e)(1)(D)), regardless of whether the
20 child is determined to be ineligible for the pro-
21 gram under this title or title XIX.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section take effect on October 1, 2000.

1 **SEC. 102. COVERAGE OF LEGAL IMMIGRANTS UNDER THE**
 2 **MEDICAID PROGRAM.**

3 (a) MEDICAID PROGRAM.—Section 1903(v) of the
 4 Social Security Act (42 U.S.C. 1396b(v)) is amended—

5 (1) in paragraph (1), by striking “paragraph
 6 (2)” and inserting “paragraphs (2) and (4)”; and

7 (2) by adding at the end the following new
 8 paragraph:

9 “(4)(A) A State shall (through a plan amendment
 10 under this title) provide medical assistance under this
 11 title, notwithstanding sections 401(a), 402(b), 403, and
 12 421 of the Personal Responsibility and Work Opportunity
 13 Reconciliation Act of 1996, for aliens who are lawfully re-
 14 siding in the United States (including battered aliens de-
 15 scribed in section 431(c) of such Act) and who are other-
 16 wise eligible for such assistance.

17 “(B) No debt may be accrued under an affidavit of
 18 support against any sponsor of an alien provided medical
 19 assistance under subparagraph (A).”.

20 (b) TITLE XXI.—Section 2107(e)(1) of such Act (42
 21 U.S.C. 1397gg(e)(1)), as amended by section
 22 101(c)(7)(A), is amended by adding at the end the fol-
 23 lowing new subparagraph:

24 “(E) Section 1903(v)(4) (relating to op-
 25 tional coverage of categories of lawfully residing
 26 alien children and parents).”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section take effect on October 1, 2000, and apply to
 3 medical assistance furnished on or after such date.

4 **SEC. 103. COVERAGE OF CHILDREN THROUGH AGE 20**
 5 **UNDER THE MEDICAID PROGRAM AND TITLE**
 6 **XXI.**

7 (a) MEDICAID.—

8 (1) IN GENERAL.—Section 1902(l)(1)(D) of the
 9 Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is
 10 amended by striking “19” and inserting “20”.

11 (2) CONFORMING AMENDMENTS.—

12 (A) Section 1902(e)(3)(A) of such Act (42
 13 U.S.C. 1396a(e)(3)(A)) is amended by striking
 14 “18” and inserting “20”.

15 (B) Section 1902(e)(12) of such Act (42
 16 U.S.C. 1396a(e)(12)) is amended by striking
 17 “19” and inserting “20”.

18 (C) Section 1920A(b)(1) of such Act (42
 19 U.S.C. 1396r–1a(b)(1)) is amended by striking
 20 “19” and inserting “20”.

21 (D) Section 1928(h)(1) of such Act (42
 22 U.S.C. 1396s(h)(1)) is amended by striking
 23 “18” and inserting “20”.

1 (E) Section 1932(a)(2)(A) of such Act (42
 2 U.S.C. 1396u-2(a)(2)(A)) is amended by strik-
 3 ing “19” and inserting “20”.

4 (b) TITLE XXI.—Section 2110(c)(1) of such Act (42
 5 U.S.C. 1397jj(c)(1)) is amended by striking “19” and in-
 6 serting “20”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section take effect on October 1, 2000, and apply to
 9 medical assistance and child health assistance provided on
 10 or after such date.

11 **SEC. 104. APPLICATION OF SIMPLIFIED TITLE XXI PROCE-**
 12 **DURES UNDER THE MEDICAID PROGRAM.**

13 (a) APPLICATION UNDER MEDICAID.—

14 (1) IN GENERAL.—Section 1902(l) of the Social
 15 Security Act (42 U.S.C. 1396a(l)) is amended—

16 (A) in paragraph (3), by inserting “subject
 17 to paragraph (5)”, after “Notwithstanding sub-
 18 section (a)(17),”; and

19 (B) by adding at the end the following new
 20 paragraph:

21 “(5) With respect to determining the eligibility of in-
 22 dividuals under 20 years of age for medical assistance
 23 under subsection (a)(10)(A) and, separately, with respect
 24 to determining the eligibility of individuals for medical as-
 25 sistance under subsection (a)(10)(A)(i)(VIII) or

1 (a)(10)(A)(ii)(XVIII), notwithstanding any other provi-
2 sion of this title, if the State has established a State child
3 health plan under title XXI—

4 “(A) the State may not apply a resource stand-
5 ard if the State does not apply such a standard
6 under such child health plan with respect to such in-
7 dividuals;

8 “(B) the State shall use the same simplified eli-
9 gibility form (including, if applicable, permitting ap-
10 plication other than in person) as the State uses
11 under such State child health plan with respect to
12 such individuals;

13 “(C) the State shall provide for initial eligibility
14 determinations and redeterminations of eligibility
15 using the same verification policies, forms, and fre-
16 quency as the State uses for such purposes under
17 such State child health plan with respect to such in-
18 dividuals; and

19 “(D) the State shall not require a face-to-face
20 interview for purposes of initial eligibility determina-
21 tions and redeterminations unless the State requires
22 such an interview for such purposes under such child
23 health plan with respect to such individuals.”.

24 (2) EFFECTIVE DATE.—The amendments made
25 by paragraph (1) apply to determinations of eligi-

1 bility made on or after the date that is 1 year after
 2 the date of the enactment of this Act.

3 (b) ADDITIONAL ENTITIES QUALIFIED TO DETER-
 4 MINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-IN-
 5 COME CHILDREN.—

6 (1) IN GENERAL.—Section 1920A(b)(3)(A)(i) of
 7 such Act (42 U.S.C. 1396r-1a(b)(3)(A)(i)) is
 8 amended—

9 (A) by striking “or (II)” and inserting “,
 10 (II)”;

11 (B) by inserting “eligibility of a child for
 12 medical assistance under the State plan under
 13 this title, or eligibility of a child for child health
 14 assistance under the program funded under
 15 title XXI, (III) is an elementary school or sec-
 16 ondary school, as such terms are defined in sec-
 17 tion 14101 of the Elementary and Secondary
 18 Education Act of 1965 (20 U.S.C. 8801), an el-
 19 ementary or secondary school operated or sup-
 20 ported by the Bureau of Indian Affairs, a State
 21 or tribal child support enforcement agency, a
 22 child care resource and referral agency, an or-
 23 ganization that is providing emergency food and
 24 shelter under a grant under the Stewart B.
 25 McKinney Homeless Assistance Act, or a State

or tribal office or entity involved in enrollment in the program under this title, under part A of title IV, under title XXI, or that determines eligibility for any assistance or benefits provided under any program of public or assisted housing that receives Federal funds, including the program under section 8 or any other section of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), or under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.), or (IV) any other entity the State so deems, as approved by the Secretary” before the semicolon.

(2) TECHNICAL AMENDMENTS.—Section 1920A of such Act (42 U.S.C. 1396r–1a) is amended—

(A) in subsection (b)(3)(A)(ii), by striking “paragraph (1)(A)” and inserting “paragraph (2)(A)”;

(B) in subsection (c)(2), in the matter preceding subparagraph (A), by striking “subsection (b)(1)(A)” and inserting “subsection (b)(2)(A)”.

(3) APPLICATION TO PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN UNDER MEDICAID.—Section

1 1920(b) of such Act (42 U.S.C. 1396r-1(b)) is
 2 amended by adding at the end after and below para-
 3 graph (2) the following flush sentence:

4 “The term ‘qualified provider’ includes a qualified entity
 5 as defined in section 1920A(b)(3).”.

6 (c) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR
 7 TITLE XXI AND MEDICAID BENEFITS FOR CHILDREN
 8 LOSING MEDICAID OR TITLE XXI ELIGIBILITY.—

9 (1) LOSS OF MEDICAID ELIGIBILITY.—Section
 10 1902(a) of the Social Security Act (42 U.S.C.
 11 1396a(a)), as amended by section 101(a), is
 12 amended—

13 (A) by striking the period at the end of
 14 paragraph (66) and inserting “; and”, and

15 (B) by inserting after paragraph (66) the
 16 following new paragraph:

17 “(67) provide, by not later than the first day of
 18 the first month that begins more than 1 year after
 19 the date of the enactment of this paragraph and in
 20 the case of a State with a State child health plan
 21 under title XXI, that before medical assistance to a
 22 child (or a parent of a child) is discontinued under
 23 this title, a determination of whether the child (or
 24 parent) is eligible for benefits under title XXI shall
 25 be made and, if determined to be so eligible, the

1 child (or parent) shall be automatically enrolled in
2 the program under such title without the need for a
3 new application.”.

4 (2) LOSS OF TITLE XXI ELIGIBILITY.—Section
5 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by
6 redesignating subparagraphs (D) and (E) as sub-
7 paragraphs (E) and (F), respectively, and by insert-
8 ing after subparagraph (C) the following new sub-
9 paragraph:

10 “(D) that before child health assistance to
11 a child (or health coverage to a parent of a
12 child) is discontinued under this title, a deter-
13 mination of whether the child (or parent) is eli-
14 gible for benefits under title XIX is made and,
15 if determined to be so eligible, the child (or par-
16 ent) is automatically enrolled in the program
17 under such title without the need for a new ap-
18 plication;”.

19 (3) EFFECTIVE DATE.—The amendments made
20 by paragraphs (1) and (2) apply to individuals who
21 lose eligibility under the medicaid program under
22 title XIX, or under a State child health insurance
23 plan under title XXI, respectively, of the Social Se-
24 curity Act on or after the date that is 60 days after
25 the date of the enactment of this Act.

1 (d) PROVISION OF MEDICAID AND CHIP APPLICA-
 2 TIONS AND INFORMATION UNDER THE SCHOOL LUNCH
 3 PROGRAM.—Section 9(b)(2)(B) of the Richard B. Russell
 4 National School Lunch Act (42 U.S.C. 1758(b)(2)(B)) is
 5 amended—

6 (1) by striking “(B) Applications” and inserting
 7 “(B)(i) Applications”; and

8 (2) by adding at the end the following new
 9 clause:

10 “(ii)(I) Applications for free and reduced price
 11 lunches that are distributed pursuant to clause (i) to par-
 12 ents or guardians of children in attendance at schools par-
 13 ticipating in the school lunch program under this Act shall
 14 also contain information on the availability of medical as-
 15 sistance under title XIX of the Social Security Act (42
 16 U.S.C. 1396 et seq.) (commonly referred to as the ‘med-
 17 icaid program’) and of child health assistance and health
 18 coverage under title XXI of such Act (commonly referred
 19 to as ‘CHIP’), including information on how to obtain an
 20 application for assistance under such program.

21 “(II) Information on the medicaid program and
 22 CHIP under subclause (I) shall be provided on a form sep-
 23 arate from the application form for free and reduced price
 24 lunches under clause (i).”.

1 **SEC. 105. EXPANSION OF BASIC SERVICES REQUIRED FOR**
 2 **BENCHMARK-EQUIVALENT COVERAGE**
 3 **UNDER CHIP.**

4 (a) ADDITION OF VISION, HEARING, AND DENTAL
 5 SERVICES.—

6 (1) IN GENERAL.—Section 2103(c)(1) of the
 7 Social Security Act (42 U.S.C. 1397cc(c)(1)) is
 8 amended by adding at the end the following:

9 “(E) Vision services for children.

10 “(F) Hearing services for children.

11 “(G) Dental services for children.”.

12 (2) EXCLUSION FROM DETERMINATION OF AC-
 13 TUARIAL VALUE.—Section 2103(c)(4) of such Act
 14 (42 U.S.C. 1397cc(c)(4)) is amended by adding at
 15 the end the following new sentence: “The categories
 16 of basic services described in subparagraphs (E),
 17 (F), and (G) of paragraph (1) shall not be taken
 18 into account for purposes of determining the actu-
 19 arial value of coverage under this paragraph.”.

20 (3) CONFORMING AMENDMENTS.—Section
 21 2103(c)(2) of such Act (42 U.S.C. 1397cc(c)(2)) is
 22 amended by striking subparagraphs (C) and (D).

23 (b) NO LIMITATION ON SCOPE OR DURATION FOR
 24 CERTAIN SERVICES.—Section 2103(a) of such Act (42
 25 U.S.C. 1397cc(a)) is amended by adding at the end the
 26 following new paragraph:

1 “(5) NO LIMITATION ON SCOPE OR DURATION
 2 FOR FEHBP-EQUIVALENT CHILDREN’S HEALTH IN-
 3 SURANCE COVERAGE.—With respect to coverage that
 4 is equivalent to the benchmark benefit package de-
 5 scribed in subsection (b)(1), or that is actuarially
 6 equivalent to such package and otherwise meets the
 7 requirements of paragraph (2)—

8 “(A) services otherwise provided under
 9 such coverage that are medically necessary to
 10 maintain, improve, or prevent the deterioration
 11 of the physical, developmental, or mental health
 12 of the child may not be limited with respect to
 13 scope or duration, except to the degree that
 14 such services are not medically necessary; and

15 “(B) such coverage shall include the option
 16 to identify medically necessary appropriate al-
 17 ternatives to traditional care or extra contrac-
 18 tual services determined by the health plan to
 19 be a more cost effective alternative than covered
 20 items or services.”.

21 **SEC. 106. ELIMINATION OF 100 HOUR RULE AND OTHER**
 22 **AFDC-RELATED ELIGIBILITY RESTRICTIONS.**

23 (a) IN GENERAL.—Section 1931(b)(1)(A)(ii) of the
 24 Social Security Act (42 U.S.C. 1396u–1(b)(1)(A)(ii)) is
 25 amended by inserting “other than the requirement that

1 the child be deprived of parental support or care by reason
 2 of the death, continued absence from the home, incapacity,
 3 or unemployment of a parent,” after “section 407(a),”.

4 (b) CONFORMING AMENDMENT.—Section 1905(a) of
 5 such Act (42 U.S.C. 1396d(a)) is amended, in the matter
 6 before paragraph (1), in clause (ii), by striking “if such
 7 child is (or would, if needy, be) a dependent child under
 8 part A of title IV”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section apply to eligibility determinations made on or
 11 after October 1, 2000.

12 **SEC. 107. LIMITATIONS ON CONFLICTS OF INTEREST.**

13 (a) LIMITATION ON CONFLICTS OF INTEREST IN
 14 MARKETING ACTIVITIES.—

15 (1) TITLE XXI.—Section 2105(c) of the Social
 16 Security Act (42 U.S.C. 300aa–5(c)) is amended by
 17 adding at the end the following new paragraph:

18 “(8) LIMITATION ON EXPENDITURES FOR MAR-
 19 KETING ACTIVITIES.—Amounts expended by a State
 20 for the use of an administrative vendor in marketing
 21 health benefits coverage to low-income children
 22 under this title shall not be considered, for purposes
 23 of subsection (a)(2)(D), to be reasonable costs to ad-
 24 minister the plan unless the following conditions are
 25 met with respect to the vendor:

1 “(A) The vendor is independent of any en-
 2 tity offering the coverage in the same area of
 3 the State in which the vendor is conducting
 4 marketing activities.

5 “(B) No person who is an owner, em-
 6 ployee, consultant, or has a contract with the
 7 vendor either has any direct or indirect finan-
 8 cial interest with such an entity or has been ex-
 9 cluded from participation in the program under
 10 this title or title XVIII or XIX or debarred by
 11 any Federal agency, or subject to a civil money
 12 penalty under this Act.”.

13 (b) PROHIBITION OF AFFILIATION WITH DEBARRED
 14 INDIVIDUALS.—

15 (1) MEDICAID.—Section 1903(i) of such Act
 16 (42 U.S.C. 1396b(i))is amended—

17 (A) by striking the period at the end of
 18 paragraph (20) and inserting “; or”; and

19 (B) by inserting after paragraph (20) the
 20 following new paragraph:

21 “(21) with respect to any amounts expended for
 22 an entity that receives payments under the plan
 23 unless—

24 “(A) no person with an ownership or con-
 25 trol interest (as defined in section 1124(a)(3))

in the entity is a person that is debarred, suspended, or otherwise excluded from participating in procurement or non-procurement activities under the Federal Acquisition Regulation; and

“(B) such entity has not entered into an employment, consulting, or other agreement for the provision of items or services that are material to such entity’s obligations under the plan with a person described in subparagraph (A).”.

(2) TITLE XXI.—Section 2107(e)(1) of such Act (42 U.S.C. 1397gg(e)(1)), as amended by section 102(b), is further amended by adding at the end the following new subparagraph:

“(F) Section 1903(i)(21) (relating to prohibition of affiliation with debarred individuals).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made on or after the date of the enactment of this Act.

SEC. 108. DEMONSTRATION PROGRAMS TO IMPROVE MEDICAID AND CHIP OUTREACH TO HOMELESS INDIVIDUALS AND FAMILIES.

(a) AUTHORITY.—The Secretary of Health and Human Services may award demonstration grants to not

1 more than 7 States (or other qualified entities) to conduct
 2 innovative programs that are designed to improve out-
 3 reach to homeless individuals and families under the pro-
 4 grams described in subsection (b) with respect to enroll-
 5 ment of such individuals and families under such pro-
 6 grams and the provision of services (and coordinating the
 7 provision of such services) under such programs.

8 (b) PROGRAMS FOR HOMELESS DESCRIBED.—The
 9 programs described in this subsection are as follows:

10 (1) MEDICAID.—The program under title XIX
 11 of the Social Security Act (42 U.S.C. 1396 et seq.).

12 (2) CHIP.—The program under title XXI of
 13 such Act (42 U.S.C. 1397aa et seq.).

14 (3) TANF.—The program under part of A of
 15 title IV of such Act (42 U.S.C. 601 et seq.).

16 (4) SAMHSA BLOCK GRANTS.—The program
 17 of grants under part B of title XIX of the Public
 18 Health Service Act (42 U.S.C. 300x–1 et seq.).

19 (5) FOOD STAMP PROGRAM.—The program
 20 under the Food Stamp Act of 1977 (7 U.S.C. 2011
 21 et seq.).

22 (6) WORKFORCE INVESTMENT ACT.—The pro-
 23 gram under the Workforce Investment Act of 1999
 24 (29 U.S.C. 2801 et seq.).

1 (7) WELFARE-TO-WORK.—The welfare-to-work
2 program under section 403(a)(5) of the Social Secu-
3 rity Act (42 U.S.C. 603(a)(5)).

4 (8) OTHER PROGRAMS.—Other public and pri-
5 vate benefit programs that serve low-income individ-
6 uals.

7 (c) APPROPRIATIONS.—For the purposes of carrying
8 out this section, there is appropriated, out of any funds
9 in the Treasury not otherwise appropriated, \$10,000,000,
10 to remain available until expended.

11 **TITLE II—ACCESS TO AFFORD-**
12 **ABLE CARE FOR ALL AMERI-**
13 **CANS**

14 **SEC. 201. EXTENSION OF COVERAGE TO SINGLE INDIVID-**
15 **UALS.**

16 (a) REQUIREMENT TO EXTEND COVERAGE TO SIN-
17 GLE INDIVIDUALS.—Section 1902(a)(66) of the Social Se-
18 curity Act (42 U.S.C. 1396a(a)(66)), as added by section
19 101(a), is amended—

20 (1) by striking “under paragraph
21 (10)(A)(ii)((XVIII))” and inserting “under—

22 “(A) paragraph (10)(A)(ii)((XVIII))”;

23 (2) by striking the period and inserting “;
24 and”; and

25 (3) by adding at the end the following:

1 “(B) paragraph (10)(A)(ii)(XIX) for indi-
 2 viduals described in subsection (aa)(1) in ac-
 3 cordance with the conditions described in para-
 4 graphs (2), (3), (4), (5), and (6) of subsection
 5 (aa).”.

6 (b) COVERAGE UNDER MEDICAID.—

7 (1) IN GENERAL.—Section 1902(a)(10)(A)(ii)
 8 of the Social Security Act (42 U.S.C.
 9 1396a(a)(10)(A)(ii)), as amended by section 101(b),
 10 is amended—

11 (A) by striking “or” at the end of sub-
 12 clause (XVII);

13 (B) by adding “or” at the end of subclause
 14 (XVIII); and

15 (C) by adding at the end the following new
 16 subclause:

17 “(XIX) who are individuals de-
 18 scribed in subsection (aa)(1);”.

19 (2) CONDITIONS FOR COVERAGE.—Section
 20 1902 of such Act is amended by adding at the end
 21 the following new subsection:

22 “(aa)(1) The individuals described in this paragraph
 23 are individuals—

24 “(A) who are not otherwise eligible for medical
 25 assistance under subsection (a)(10)(A); and

1 “(B) whose income is at least—

2 “(i) with respect to fiscal year 2003, 50
3 percent of the poverty line;

4 “(ii) with respect to fiscal year, 2004, 100
5 percent of the poverty line;

6 “(iii) with respect to fiscal year 2005, 150
7 percent of the poverty line;

8 “(iv) with respect to fiscal year 2006, 200
9 percent of the poverty line;

10 “(v) with respect to fiscal year 2007, 250
11 percent of the poverty line; and

12 “(vi) with respect to fiscal year 2008, 300
13 percent of the poverty line.

14 “(2) At State option, clause (iii), (iv), (v), or (vi) of
15 paragraph (1)(B) shall not apply but only if the State pro-
16 vides health coverage for an individual who would be de-
17 scribed in any such clause in accordance with section
18 2111.

19 “(3) The State provides that individuals described in
20 paragraph (1) remain eligible for medical assistance for
21 a period (of at least 12 months) following the eligibility
22 determination required under such paragraph.

23 “(4) The State has a State child health plan under
24 title XXI which (whether implemented under such title or
25 under this title) does not limit the acceptance of applica-

1 tions for individuals described in paragraph (1), does not
 2 use a waiting list for such individuals who meet eligibility
 3 standards to qualify for assistance (under this title or, if
 4 the State offers such individuals assistance under section
 5 2111(a)(2), title XXI), and provides benefits to all such
 6 individuals in the State who apply for and meet eligibility
 7 standards.

8 “(5) The State does not cover individuals described
 9 in paragraph (1) with higher family income without cov-
 10 ering such individuals with a lower family income.

11 “(6) Section 1920A(e) shall apply to individuals de-
 12 scribed in paragraph (1) in the same manner as such sec-
 13 tion applies to parents described in that section.”.

14 (3) CONFORMING AMENDMENTS.—

15 (A) ELIGIBILITY CATEGORIES.—Section
 16 1905(a) of such Act (42 U.S.C. 1396d(a)), as
 17 amended by section 101(b)(4)(A), is amended,
 18 in the matter before paragraph (1)—

19 (i) by striking “or” at the end of
 20 clause (xi);

21 (ii) by inserting “or” at the end of
 22 clause (xii); and

23 (iii) by inserting after clause (xii) the
 24 following new clause:

1 “(xiii) who are individuals described in section
2 1902(aa)(1),”.

3 (B) INCOME LIMITATIONS.—Section
4 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)),
5 as amended by section 101(b)(4)(B), is amend-
6 ed by inserting “1902(a)(10)(A)(ii)(XIX),”
7 after “1902(a)(10)(A)(ii)(XVIII),”.

8 (c) COVERAGE UNDER SCHIP.—

9 (1) IN GENERAL.—Section 2111 of such Act, as
10 added by section 101(c), is amended—

11 (A) in the heading, by inserting “**AND**
12 **SINGLE ADULTS**” before the period;

13 (B) in subsection (a)—

14 (i) by striking “Notwithstanding” and
15 inserting the following:

16 “(1) FAMILIES.—Notwithstanding”; and

17 (ii) by adding at the end the fol-
18 lowing:

19 “(2) CERTAIN SINGLE INDIVIDUALS.—Notwith-
20 standing any other provision of this title, with re-
21 spect to a State that does not provide medical assist-
22 ance under section 1902(a)(10)(A)(ii)(XIX) for an
23 individual described in clause (iii), (iv), (v), or (vi)
24 of section 1902(aa)(1)(B), the State shall provide
25 health coverage under this title for such an indi-

vidual through an amendment to its State child health plan under section 2102 in accordance with this section and the conditions described in paragraphs (3) and (4) of section 1902(aa).”; and

(C) in subsection (b), by adding at the end

the following new paragraph:

“(3) TREATMENT OF CERTAIN SINGLE INDIVIDUALS.—A State child health plan shall treat, and shall apply this section to, an individual described in subsection (a)(2) in the same manner as such plan treats and applies this section to a family described in section 1902(k)(1).”.

TITLE III—ADDITIONAL PROVISIONS

SEC. 301. AVAILABILITY OF UNSUBSIDIZED COVERAGE.

(a) REQUIREMENT TO OFFER COVERAGE.—

(1) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(A) by redesignating section 1935 as section 1936; and

(B) by adding at the end the following new section:

“AVAILABILITY OF COVERAGE

“SEC. 1936. (a) IN GENERAL.—Beginning with calendar year 2002, each State with a plan approved under this title shall make available to any individual or family

1 with income that exceeds 300 percent of the poverty line
 2 (as defined in section 673(2) of the Community Services
 3 Block Grant Act (42 U.S.C. 9902(2)), including any revi-
 4 sion required by such section) medical assistance provided
 5 under this title or health coverage under section 2111
 6 through payment of a premium determined in accordance
 7 with subsection (b).

8 “(b) DETERMINATION OF PREMIUMS.—

9 “(1) IN GENERAL.—Premiums for coverage
 10 under this title shall be based on the pooled average
 11 cost of medical assistance provided under this title
 12 for the relevant comparison group for the individual
 13 purchasing such coverage.

14 “(2) NO ADJUSTMENT FOR HEALTH STATUS.—
 15 Premiums imposed under this section may not be
 16 adjusted for the health status of the individual.

17 “(3) APPLICATION OF HIPAA.—The provisions
 18 of title XXVII of the Public Health Service Act (42
 19 U.S.C. 300gg et seq.) apply to coverage made avail-
 20 able under this section.

21 “(c) COMPARABILITY OF COVERAGE.—Medical as-
 22 sistance made available under this section shall be pro-
 23 vided to an individual or family purchasing such coverage
 24 in the same amount, duration, and scope as such assist-

1 ance is made available for an individual or family who is
 2 eligible for such assistance under section 1902(a)(10)(A).

3 “(d) PRESUMPTIVE ELIGIBILITY.—Each individual
 4 that indicates on a form described in paragraph (2) of sec-
 5 tion 301(c) of Basic Access to Secure Health Insurance
 6 Coverage Health Plan (BASIC Health Plan) Act that the
 7 individual believes he or she (and the individual’s family,
 8 if applicable) is eligible for medical assistance under this
 9 section, and that is forwarded to a State agency in accord-
 10 ance with paragraph (1)(B) of such section, shall be pro-
 11 vided with a period of presumptive eligibility for coverage
 12 under this section (in the same manner as such a period
 13 is imposed under sections 1920 and 1920A) until such
 14 time as the State makes a determination as to such eligi-
 15 bility.

16 “(e) NO EFFECT ON COVERAGE OFFERED UNDER
 17 A WAIVER.—Nothing in this section shall be construed as
 18 affecting any medical assistance made available under a
 19 waiver of the requirements of this title (under section
 20 1115 or otherwise) to an individual or family described
 21 in subsection (a).”.

22 (2) ESTABLISHMENT OF OPTIONAL ELIGIBILITY
 23 CATEGORY.—

24 (A) IN GENERAL.—Section
 25 1902(a)(10)(A)(ii) of the Social Security Act

1 (42 U.S.C. 1396a(a)(10)(A)(ii)), as amended by
 2 section 201(b)(1)(C), is amended—

3 (i) by striking “or” at the end of sub-
 4 clause (XVIII);

5 (ii) by striking the semicolon at the
 6 end of subclause (XIX) and inserting “,
 7 or”; and

8 (iii) by adding at the end the fol-
 9 lowing new subclause:

10 “(XX) who are individuals de-
 11 scribed in section 1936 (subject to
 12 payment of a premium determined in
 13 accordance with that section);”.

14 (B) CONFORMING AMENDMENTS.—

15 (i) ELIGIBILITY CATEGORIES.—Sec-
 16 tion 1905(a) of such Act (42 U.S.C.
 17 1396d(a)), as amended by section
 18 201(b)(3), is amended, in the matter be-
 19 fore paragraph (1)—

20 (I) by striking “or” at the end of
 21 clause (xii);

22 (II) by inserting “or” at the end
 23 of clause (xiii); and

24 (III) by inserting after clause
 25 (xiii) the following new clause:

1 “(xiv) who are individuals described in section
2 1902(aa)(1),”.

3 (ii) INCOME LIMITATIONS.—Section
4 1903(f)(4) of such Act (42 U.S.C.
5 1396b(f)(4)), as amended by section
6 201(b)(3)(B), is amended by inserting
7 “1902(a)(10)(A)(ii)(XX),” after
8 “1902(a)(10)(A)(ii)(XIX),”.

9 (b) COVERAGE UNDER SCHIP.—Section 2111 of
10 such Act, as amended by section 201(c), is amended—

11 (1) in subsection (a), by adding at the end the
12 following new paragraph:

13 “(3) OTHER INDIVIDUALS AND FAMILIES.—

14 “(A) IN GENERAL.—Notwithstanding any
15 other provision of this title, with respect to a
16 State that does not provide medical assistance
17 under section 1936 for an individual or family
18 described in subsection (a) of that section, the
19 State shall make available through the payment
20 of a premium determined in accordance with
21 section 1936(b), health coverage under this title
22 for such an individual or family through an
23 amendment to its State child health plan under
24 section 2102 in accordance with this section
25 and the requirements of section 1936.

1 “(B) DETERMINATION OF PREMIUM.—For
 2 purposes of determining a premium for the pur-
 3 chase of health coverage under this title, para-
 4 graph (1) of section 1936(b) shall be applied by
 5 substituting ‘pooled average cost of health cov-
 6 erage’ for ‘pooled average cost of medical assist-
 7 ance’.”; and

8 (2) in subsection (b), by adding at the end the
 9 following new paragraph:

10 “(4) TREATMENT OF OTHER INDIVIDUALS AND
 11 FAMILIES.—A State child health plan shall treat,
 12 and shall apply this section to, an individual or fam-
 13 ily described in subsection (a)(3) in the same man-
 14 ner as such plan treats and applies this section to
 15 a family described in section 1902(k)(1).”.

16 (c) EMPLOYER RESPONSIBILITIES.—

17 (1) IN GENERAL.—Beginning with calendar
 18 year 2002, each covered employer shall—

19 (A) inform, through the use of the form
 20 described in paragraph (2), each individual in
 21 the person’s employ who is not eligible for
 22 health benefits coverage provided by such em-
 23 ployer, of the opportunity to purchase health
 24 benefits coverage under section 1936 or 2111 of
 25 the Social Security Act;

1 (B) forward all such forms on which an in-
2 dividual indicates that the individual believes
3 they are eligible for coverage under such sec-
4 tions of the Social Security Act to the appro-
5 priate State agency, unless the individual spe-
6 cifically declines such coverage on such form;
7 and

8 (C) with respect to each such individual
9 who purchases such coverage (for such indi-
10 vidual or their family), withhold an amount
11 equal to the premium required by the State for
12 the coverage from the individual's wages and
13 forward such amount to the appropriate place
14 (as determined by the State).

15 (2) FORM DESCRIBED.—The form described in
16 this paragraph is a form that—

17 (A) is developed by the State in which the
18 covered employer resides in accordance with
19 guidelines issued by the Secretary of Health
20 and Human Services;

21 (B) describes the health benefits coverage
22 available under sections 1936 and 2111 of the
23 Social Security Act; and

24 (C) provides an individual with an oppor-
25 tunity to indicate on the form if the individual

1 believes that they are eligible for such coverage
2 or to decline such coverage.

3 (3) ANNUAL PROVISION.—In the case of any
4 employee who declines coverage under section 1936
5 or 2111 of the Social Security Act on the form de-
6 scribed in paragraph (2), a covered employer shall
7 provide such form to each such individual not less
8 than annually to allow the individual to revoke such
9 declination.

10 (4) DEFINITION OF COVERED EMPLOYER.—In
11 this section, the term ‘covered employer’ means, for
12 any calendar year, any person on whom an excise
13 tax is imposed under section 3111 or 1401 of the
14 Internal Revenue Code of 1986 with respect to hav-
15 ing an individual in the person’s employ to whom
16 wages are paid by such person during such calendar
17 year.

○